

# CITY AUDITOR'S REPORT

## MONDAY, MAY 14, 2012

### 2012 CABLE FRANCHISE FEES

ON 05/02/12, THE CITY RECEIVED \$175,311.87 FROM COMCAST CABLE FOR THE FRANCHISE FEES FOR THE 1<sup>ST</sup> QUARTER OF 2012. THE 2012 BUDGET LISTS \$705,000 AS ANNUAL CABLE FRANCHISE FEES REVENUE.

THE FOLLOWING CHART LISTS CABLE FRANCHISE FEES FROM 1997 – 2012 1<sup>ST</sup> Q:

YEAR	BUDGET	ACTUAL	VARIANCE
1997	\$564,000	\$586,350.73	\$22,350.73
1998	\$615,000	\$772,978.02	<b>\$157,978.02</b>
1999	\$645,000	\$670,813.60	\$25,813.60
2000	\$680,000	\$701,370.94	\$21,370.94
2001	\$700,000	\$667,645.58	<\$32,354.42>
2002	\$700,000	\$724,969.36	\$24,969.36
2003	\$720,000	\$739,601.21	\$19,601.21
2004	\$750,000	\$732,936.04	<\$17,063.96>
2005	\$750,000	\$659,329.68	<\$90,670.32>
2006	\$770,000	\$684,295.97	<\$85,704.03>
2007	\$700,000	\$673,827.84	<\$26,172.16>
2008	\$700,000	\$670,281.50	<\$29,718.50>
2009	\$700,000	\$716,971.61	\$16,971.61
2010	\$700,000	\$704,278.99	\$4,278.99
2011	\$705,000	\$704,540.44	<\$459.56>
2012	\$705,000	\$175,311.87	

**NOTE:** 1998 INCLUDES FIVE (5) QUARTERS OF REVENUE FROM AUDITOR'S ADJUSTMENT

## **2012 UNEMPLOYMENT COMPENSATION**

THE UNEMPLOYMENT COMPENSATION EXPENSES FOR THE 1<sup>st</sup> QUARTER OF 2012 WERE \$43,138.71. THE 2012 BUDGET ALLOCATES \$275,000 FOR UNEMPLOYMENT COMPENSATIONS COSTS.

THE FOLLOWING CHART ILLUSTRATES THE UNEMPLOYMENT COSTS OF THE CITY FOR YEARS 1996- 2012 1<sup>ST</sup> Q.:

YEAR	BUDGET	ACTUAL EXPENSE	VARIANCE
1996	\$44,856.00	\$40,732.38	\$4,123.62
1997	\$55,000.00	\$94,088.09	<b>-\$39,088.09</b>
1998	\$55,000.00	\$25,086.87	\$29,913.13
1999	\$55,000.00	\$26,085.08	\$28,914.92
2000	\$55,000.00	\$123,742.39	<b>-\$68,742.39</b>
2001	\$55,000.00	\$42,710.14	\$12,289.86
2002	\$55,000.00	\$33,494.50	\$21,505.50
2003	\$12,000.00	\$60,765.63	<b>-\$48,765.63</b>
2004	\$100,000.00	\$166,192.84	<b>-\$66,192.84</b>
2005	\$100,000.00	\$72,140.44	\$27,859.56
2006	\$100,000.00	\$52,913.27	\$47,086.73
2007	\$100,000.00	\$62,466.08	\$37,533.92
2008	\$80,000.00	\$58,968.37	\$21,031.63
2009	\$100,000.00	\$133,061.92	<b>-\$33,061.92</b>
2010	\$755,000.00	\$465,816.47	\$289,183.53
2011	\$475,000.00	\$227,164.19	\$247,835.81
2012 1 <sup>ST</sup> Q.	\$275,000.00	\$43,138.71	

**BOLD INDICATES DEFICIT.**

**NOTE THAT IN 1997, 2000, 2004 AND 2010 RE-ORGANIZATIONS OCCURRED.**

## **READING PARKING AUTHORITY AUDIT FROM 12/31/2011**

ON 4/27/12, THE AUDITOR'S OFFICE RECEIVED A COPY OF AN AUDIT FROM THE READING PARKING AUTHORITY. THIS AUDIT, PREPARED BY HERBEIN & COMPANY, PRESENTS THE FINANCIALS OF THE PARKING AUTHORITY AS OF 12/31/11.

### **SOME BRIEF COMMENTARY AND OBSERVATIONS ARE AS FOLLOWS:**

- THE CITY LENT THE PARKING AUTHORITY \$830,000 (1999), \$675,000 (2000) AND \$550,000 (2001) FOR BOND DEBT TALLING \$2,055,000.
- THE PARKING AUTHORITY HAS NOT NEEDED ANY CITY SUBSIDIES SINCE 2001.
- BY 2009, THE PARKING AUTHORITY HAD **REPAID IN FULL** ALL AMOUNTS DUE TO THE CITY **PLUS TRANSFERRED AN ADDITIONAL \$1.279 MILLION** TO THE CITY.
- OPERATING REVENUES HAVE INCREASED FROM \$7,273,723 (2006) TO \$8,361,345 (2011).
- OPERATING INCOME HAS GROWN FROM \$3,795,747 (2006) TO 4,044,043 (2011).
- THE READING PARKING AUTHORITY RECEIVED A REDEVELOPMENT ASSISTANCE GRANT OF \$ 5,755,390 IN 2010.
- THE PARKING AUTHORITY IS COMMITTED TOWARDS THE PFM ACT 47 RECOVERY PLAN, WITH INCREASED CONTRIBUTIONS TO THE CITY THROUGH 2014: (2011) \$1.35 MILLION, (2012) \$1.4 MILLION, (2013) \$1.45 MILLION, AND (2014) \$1.5 MILLION.

	<b>2006</b>	<b>2007</b>	<b>2008</b>
OPERATING REVENUES	7,273,723	7,769,974	7,923,473
OPERATING ADMIN. EXP.	-3,477,976	-3,692,158	-4,069,877
OPERATING INCOME	3,795,747	4,077,816	3,853,596
OTHER REV (EXP)	-1,560,507	-1,403,348	-1,546,037
NET INCOME (LOSS)	2,235,240	2,674,468	2,307,559
NET ASSETS 1/1	4,008,480	6,243,720	8,918,188
NET ASSETS 12/31	6,243,720	8,918,188	11,225,747
	<b>2009</b>	<b>2010</b>	<b>2011</b>
OPERATING REVENUES	8,064,729	8,097,941	8,361,345
OPERATING ADMIN. EXP.	-3,955,829	-4,105,068	-4,317,302
OPERATING INCOME	4,108,900	3,992,873	4,044,043
OTHER REV (EXP)	-3,511,423	3,719,256	-2,297,339
NET INCOME (LOSS)	597,477	7,712,129	1,746,704
NET ASSETS 1/1	11,225,747	11,823,224	19,535,353
NET ASSETS 12/31	11,823,224	19,535,353	21,282,057

ON BEHALF OF THE CITY OF READING , I WOULD LIKE TO THANK LAWRENCE LEE; EXECUTIVE DIRECTOR OF THE RPA AUTHORITY, GEORGE COOK; CHAIRMAN OF THE RPA BOARD, AND ALL THE OTHER BOARD MEMBERS AND EMPLOYEES FOR THEIR HARD WORK, DEDICATION AND CONTINUING IMPROVEMENTS IN READING.